

ATTORNEY GENERAL

PUBLIC ACT 310 OF 1998

Analyst: Craig Thiel

	FY 1997-98 YEAR-TO-DATE APPROPRIATIONS	FY 1998-99 ENACTED APPROPRIATION	FY 1998-99 ENACTED CHANGE FROM FY 1997-98	
			AMOUNT	PERCENT
FTE POSITIONS	552.0	571.0	19.0	3.4
GROSS	\$49,386,100	\$52,501,300	\$3,115,200	6.3
IDG/IDT	7,551,200	8,177,800	626,600	8.3
ADJUSTED GROSS	\$41,834,900	\$44,323,500	\$2,488,600	5.9
FEDERAL	6,138,700	6,242,100	103,400	1.7
LOCAL	0	0	0	0.0
PRIVATE	1,034,600	1,068,900	34,300	3.3
OTHER	5,390,100	6,440,300	1,050,200	19.5
GF/GP	\$29,271,500	\$30,572,200	\$1,300,700	4.4

HB 5595

Referred to
Appropriations
02/19/98

Passed House
05/13/98

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05/27/98

Conference
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07/30/98

OVERVIEW - ATTORNEY GENERAL

The Attorney General is the constitutionally established chief law enforcement officer of the state representing all state officers, the Legislature, and all state departments, institutions, boards, and commissions, on public legal matters. The Attorney General has the power and duty to prosecute and defend all actions in which the state may be involved and to provide legal advice on matters submitted by the Legislature, the Governor, and other state officers and agencies. Unlike other state agencies, the Department of Attorney General does not operate or initiate programs, and thus the basic mission and objective of the Department does not change from year to year. Rather, state programs operated by other agencies give rise to the need for legal advice and representation.

The Prosecuting Attorneys Coordinating Council (PACC), created by PA 203 of 1972, is a Type I agency residing within the Department of Attorney General to provide services to local prosecutors, their assistants, and other staff. These services include providing continuing professional education and legal research assistance, publishing legal documents, and coordinating office automation efforts and statewide prosecution activities.

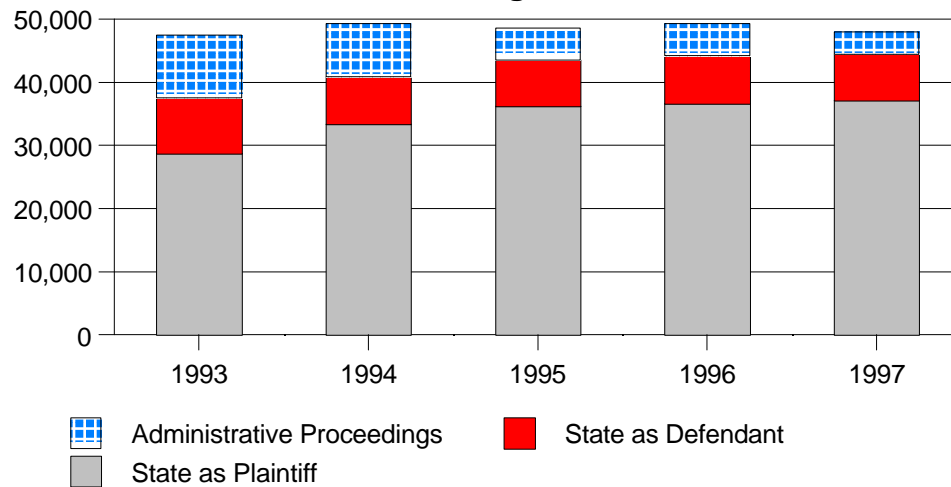
The FY 1998-99 budget provides \$52.5 million Gross and \$30.6 million GF/GP, an increase of 6.3% and 4.4% respectively, over FY 1997-98 YTD appropriation levels. The budget includes additional funding to establish a new Native American Legal Affairs Division to handle various claims against the state. The budget also provides funding to hire staff in the restricted revenue-supported divisions of Liquor Control, Retirement, Lottery and Racing, Financial Institutions, and Health Professionals. General Fund/General Purpose funding for additional staff in the Charitable Trusts, Prosecuting Attorneys Appellate Services, and State Affairs Divisions is included in the budget.

The budget includes full-year funding for the Department's costs associated with overseeing Detroit casinos. In total, the budget includes funding for 19 new positions above current-year levels. The enacted budget also includes funding for standard economic adjustments throughout the Department and PACC.

A FY 1997-98 supplemental appropriation of \$140,700 (GF/GP) and authorization for 2.0 FTE attorney positions is provided to establish a Native American Legal Affairs Division.

The following chart highlights the Department's caseload over the five-year period 1993 through 1997.

**Department of Attorney General Pending Cases
1993 through 1997**



Source: Department of Attorney General

MAJOR BUDGET CHANGES: FY 1998-99

<u>Budget Issue</u>		<u>Change from FY 1997-98</u>
1. New Program - Native American Legal Affairs	FTEs	4.0
The enacted budget provides for creation of a new Native American Legal Affairs Division. The myriad Native American legal issues the Department handles would be consolidated in this new division to allow for a more comprehensive approach in addressing these issues. Funding will provide for the addition of 3.0 FTE attorney positions and 1.0 FTE support staff position.	Gross	\$482,400
	GF/GP	\$241,200
2. Program Enhancement - Casino Gaming	FTEs	6.0
The budget provides full-year legal costs associated with the Department's oversight responsibilities surrounding Detroit casinos. The funding for the 6.0 FTE positions will come from the Michigan Gaming Control Board.	Gross	\$579,500
	GF/GP	\$0
3. Program Enhancements - PAAS, Charitable Trust, and State Affairs	FTEs	4.0
The budget includes \$367,200 (GF/GP) and authorization for 4.0 FTE positions to meet increased legal service demands in the Prosecuting Attorneys Appellate Services (PAAS), Charitable Trust, and State Affairs Divisions. The State Affairs Division, for example, has realized increased demands for day-to-day advice and assistance services as agencies attempt to resolve disputes through means other than litigation. Additionally, six Headlee cases have been filed with this division in the last two years requiring substantial legal counsel.	Gross	\$367,200
	GF/GP	\$367,200

MAJOR BUDGET CHANGES: FY 1998-99

<u>Budget Issue</u>		<u>Change from FY 1997-98</u>
4. Program Enhancements - Retirement, Liquor Control, and Lottery	FTEs Gross GF/GP	3.0 \$275,400 \$0
The budget includes \$275,400 (Gross) and authorization for 3.0 FTE positions to meet caseload demands in the Retirement, Liquor Control, and the Lottery and Racing Divisions. Funding for these attorney positions would be provided through retirement funds, the Liquor Purchase Revolving Fund, and the State Lottery Fund, respectively.		
5. Program Enhancements - Health Professionals and Financial Institutions	FTEs Gross GF/GP	4.0 \$367,500 \$0
The enacted budget includes \$367,500 (Gross) and authorization for 4.0 FTE positions to meet caseload demands in the Health Professionals and Commerce Divisions. Funding for these attorney positions would be provided through interdepartmental grants from Consumer and Industry Services.		
6. Federal Match Requirement - Byrne Grant	Gross GF/GP	\$0 \$153,800
The Department has been a recipient of a Money Laundering and Uniform Assets Byrne Grant from the Department of Justice for the past two years. In FY 1998-99 this grant will require a 50% state match, up from 25% in the current year. The budget includes additional GF/GP funding to meet the revised federal match requirement.		

ECONOMIC AND RETIREMENT ISSUES: FY 1998-99

ECONOMIC ISSUES

1. Attorney General's Salary	Gross GF/GP	\$12,900 \$12,900
The budget includes funding to increase the Attorney General's salary to \$124,900 per annum for the next four years beginning in 1999. Per the constitution, the Legislature can only set the salary at the beginning of each four-year term.		
2. Economic Adjustments	Gross GF/GP	\$62,000 (34,600)
The budget reflects overall savings of \$34,600 (GF/GP) for economic adjustments associated with salary and wage, insurance, retirement, motor transport, building occupancy, and worker's compensation charges. Increases for salary and wages and insurance costs are offset by retirement cost savings resulting from changing actuarial funding methods and assumptions in the State Employees' Retirement System.		
3. Unclassified Salaries	Gross GF/GP	\$7,300 \$7,300
Included is \$7,300 (GF/GP) to provide a 3.0% increase above the FY 1997-98 level for the Department's unclassified positions line item. The FY 1998-99 budget provides authorization for 5.0 unclassified FTE positions and \$249,400 for salaries.		

ECONOMIC AND RETIREMENT ISSUES: FY 1998-99

RETIREMENT ISSUES

None

MAJOR BOILERPLATE CHANGES: FY 1998-99

None

VETOES: FY 1998-99

None

REVENUE INCREASES: FY 1998-99

None

SUPPLEMENTAL APPROPRIATIONS: FY 1997-98

1. Native American Legal Affairs	FTEs	2.0
A FY 1997-98 supplemental appropriation of \$140,700 (GF/GP) and authorization for 2.0 FTE attorney positions is provided to establish a Native American Legal Affairs Division.	Gross	\$140,700
	GF/GP	\$140,700
2. Technology Enhancements	Gross	\$300,000
A FY 1997-98 supplemental appropriation of \$300,000 (GF/GP) for one-time computer hardware and software technology enhancements is provided. This funding was originally included in the FY 1998-99 budget.	GF/GP	\$300,000
3. Retirement Savings	Gross	(\$1,580,900)
Retirement savings are realized from changing the actuarial funding methods and assumptions of the State Employees' Retirement System. These savings are reflected in a negative supplemental appropriation for FY 1997-98.	GF/GP	(\$897,400)

CIVIL RIGHTS

PUBLIC ACT 310 OF 1998

Analyst: Craig Thiel

	FY 1997-98 YEAR-TO-DATE APPROPRIATIONS	FY 1998-99 ENACTED APPROPRIATION	FY 1998-99 ENACTED CHANGE FROM FY 1997-98	
			AMOUNT	PERCENT
FTE POSITIONS	189.0	171.5	(17.5)	(9.3)
GROSS	\$13,555,000	\$14,104,800	\$549,800	4.1
IDG/IDT	0	0	0	0.0
ADJUSTED GROSS	\$13,555,000	\$14,104,800	\$549,800	4.1
FEDERAL	1,480,900	1,600,000	119,100	8.0
LOCAL	0	0	0	0.0
PRIVATE	0	0	0	0.0
OTHER	0	0	0	0.0
GF/GP	\$12,074,100	\$12,504,800	\$430,700	3.6

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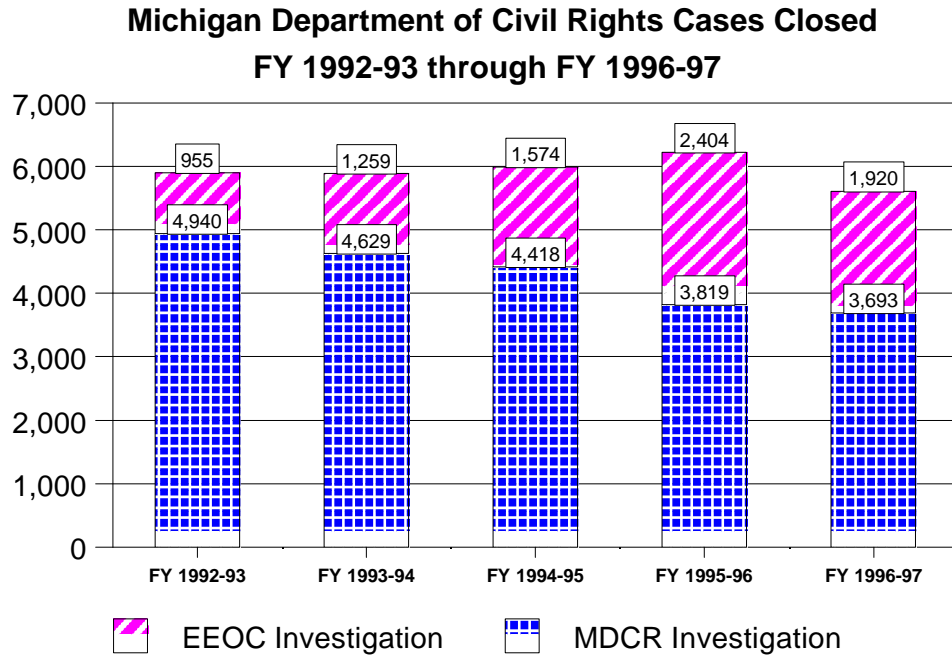
OVERVIEW - CIVIL RIGHTS

The Department of Civil Rights serves as the administrative arm charged with implementing the policies of the constitutionally-established Michigan Civil Rights Commission. The Civil Rights Commission is created under Article V, Section 29 of the State Constitution and is comprised of eight members appointed by the Governor with the advice and consent of the Senate. The Civil Rights Commission is responsible for securing the civil rights of citizens guaranteed by the Constitution and the laws of Michigan. Under its enabling legislation (the Elliot-Larsen Civil Rights Act and the Michigan Handicappers' Civil Rights Act), the Department of Civil Rights investigates discrimination allegations in the areas of employment, public accommodation and services, education, and housing. The Department promotes equal opportunity through education and training activities, minority business certification, contract compliance, and affirmative action programs.

The Department also contains three commissions which focus on the needs of specific Michigan residents. The Michigan Women's Commission serves as the lead agency for advocating women's concerns within the state. The Michigan Commission on Indian Affairs' primary purpose is to advocate for Indian programs on a statewide basis. The Commission on Spanish Speaking Affairs addresses problems experienced by Hispanic people in the areas of education, employment, civil rights, health, housing, senior citizens, and other related areas.

The FY 1998-99 budget includes \$14.1 million Gross and \$12.5 million GF/GP, an increase of 4.1% and 3.6% respectively, over FY 1997-98 YTD appropriation levels. The FY 1998-99 budget is, essentially, a continuation budget with no major programmatic modifications from current year.

The following chart highlights the number of cases closed for each of the last five fiscal years. Under statute, the Department has authority to investigate civil rights cases raised under federal law and filed with the Equal Employment Opportunity Commission.



Source: Michigan Department of Civil Rights

MAJOR BUDGET CHANGES: FY 1998-99

Budget Issue

**Change from
FY 1997-98**

Program Enhancement - Discrimination Investigations

The budget includes authorization to receive an additional \$119,100 (Gross) in available federal revenue in FY 1998-99 through the Equal Employment Opportunity Commission. These federal revenues are used by the Department to investigate federal and state discrimination cases.

Gross \$119,100
GF/GP \$0

ECONOMIC AND RETIREMENT ISSUES: FY 1998-99

ECONOMIC ISSUES

ECONOMIC AND RETIREMENT ISSUES: FY 1998-99

1. <i>Standard Economic Adjustments</i> The budget includes additional funding for standard economic adjustments associated with salaries and wages, insurances for employees, building occupancy charges, and worker's compensation. Cost savings for retirement result from changing actuarial funding methods and assumptions in the State Employees' Retirement System.	Gross GF/GP	\$41,300 \$41,300
2. <i>Unclassified Salaries</i> Included is \$9,400 (GF/GP) to provide a 3.0% increase above the FY 1997-98 level for the Department's unclassified positions line item. The FY 1998-99 budget provides authorization for 5.0 unclassified FTE positions and \$323,400 in funding for salaries.	Gross GF/GP	\$9,400 \$9,400

RETIREMENT ISSUES

None

MAJOR BOILERPLATE CHANGES: FY 1998-99
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None

VETOES: FY 1998-99

None

REVENUE INCREASES: FY 1998-99

None

SUPPLEMENTAL APPROPRIATIONS: FY 1997-98
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<i>Retirement Savings</i> Retirement savings are realized from changing the actuarial funding methods and assumptions of the State Employees' Retirement System. These savings are reflected in a negative supplemental appropriation for FY 1997-98.	Gross GF/GP	(\$389,400) (\$389,400)
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CIVIL SERVICE

PUBLIC ACT 310 OF 1998

Analyst: Craig Thiel

	FY 1997-98 YEAR-TO-DATE APPROPRIATIONS	FY 1998-99 ENACTED APPROPRIATION	FY 1998-99 ENACTED CHANGE FROM FY 1997-98	
			AMOUNT	PERCENT
FTE POSITIONS	238.5	230.5	(8.0)	(3.4)
GROSS	\$34,126,800	\$27,415,600	(\$6,711,200)	(19.7)
IDG/IDT	5,605,900	2,133,700	(3,472,200)	(61.9)
ADJUSTED GROSS	\$28,520,900	\$25,281,900	(\$3,239,000)	(11.4)
FEDERAL	1,535,700	1,279,100	(256,600)	(16.7)
LOCAL	904,300	500,000	(404,300)	(44.7)
PRIVATE	0	49,100	49,100	0.0
OTHER	6,855,400	10,669,000	3,813,600	55.6
GF/GP	\$19,225,500	\$12,784,700	(\$6,440,800)	(33.5)

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OVERVIEW - CIVIL SERVICE

The Department of Civil Service is headed by a non-salaried, bipartisan Civil Service Commission, consisting of four members appointed by the Governor to eight-year, staggered terms. The Department is headed by the State Personnel Director, a classified employee who is appointed by the Commission. The Department implements all policies, rules, and procedures which are formulated by the Commission dealing with the state's classified work force. Major functions of the Department include personnel policy development, classification and compensation, testing and evaluation, employee relations, state personnel training, and work force reporting.

Article X, Section 5, of the State Constitution provides for an appropriation to the Department of Civil Service (commonly referred to as "1% funding") of a sum not less than 1% of the aggregate classified payroll from the preceding fiscal year for the constitutionally assigned responsibilities the Department performs in the ensuing year. While the majority of the Department's funding is from General Fund revenues, it receives a sizable portion of its operating budget from state, federal, and local 1% revenue sources.

The FY 1998-99 budget provides \$27.4 million Gross and \$12.8 million GF/GP, a decrease of 19.7% and 33.5% respectively, from FY 1997-98 YTD appropriation levels. A \$6.5 million (GF/GP) supplemental appropriation contained in the FY 1997-98 YTD figures accounts for the sizeable reduction from one year to the next. Of the total \$6.5 million, \$6.2 million is for start-up and implementation costs associated with a new statewide personnel management system. This new system will replace the current system and will provide integrated payroll, personnel, and employee benefits functionality and data exchange with the retirement systems.

The FY 1998-99 budget includes \$2.7 million (Gross) for continued implementation and testing of the new personnel management system. The Department's multi-year technology upgrade initiative, begun in FY 1997-98, is funded at \$592,100 (Gross) along with \$250,00 (Gross) provided for other computer software and hardware enhancements. The enacted budget also reflects savings of approximately \$3.6 million (Gross) resulting from the transfer of the employee benefits programs to the Department of Management and Budget.

MAJOR BUDGET CHANGES: FY 1998-99

<u>Budget Issue</u>		<u>Change from FY 1997-98</u>
1. Program Transfers - Employee Benefits Programs	Gross	(\$3,599,100)
The enacted budget reflects savings of \$3.6 million (Gross) resulting from the transfer of the employee benefits programs to the Department of Management and Budget under Executive Order 1996-5. Program responsibility and administration was transferred in July 1996; however, Civil Service continued to provide funding for the programs in FY 1996-97 and FY 1997-98 through 1% restricted funds. The FY 1998-99 budget will reflect the first year that funding for the program is provided through the Department of Management and Budget's appropriation.	GF/GP	\$0
2. Program Enhancement - HRMN System	Gross	\$2,650,000
The budget provides \$2.7 million (Gross) to replace the current statewide personnel system with a new integrated system. The new Human Resource Management Network (HRMN) system will deliver payroll, personnel, and employee benefits functionality and data exchange with the retirement systems. Start-up funding for this enhancement is also recommended in a FY 1997-98 supplemental.	GF/GP	\$0
3. Technology Enhancements	Gross	\$842,100
Included in the enacted budget is \$842,100 (Gross) to continue the Department's multi-year computer upgrade effort and to provide other computer hardware and software enhancements.	GF/GP	\$0

ECONOMIC AND RETIREMENT ISSUES: FY 1998-99

ECONOMIC ISSUES**Standard Economic Adjustments**

The budget reflects an overall savings of \$116,100 (GF/GP) for economic adjustments associated with salary and wage, retirement, insurance, building occupancy, and worker's compensation charges. Increases for salary and wages and insurance costs are offset by retirement cost savings resulting from changing actuarial funding methods and assumptions in the State Employees' Retirement System.

Gross	(\$184,500)
GF/GP	(\$116,100)

RETIREMENT ISSUES

None

MAJOR BOILERPLATE CHANGES: FY 1998-99

None

VETOES: FY 1998-99

None

REVENUE INCREASES: FY 1998-99

1. Training Revenue - Decrease

The budget reflects a decrease in training revenue attributable to a decrease in training demands and adjusted projections from the Customer Service Academy. Although a number of the initiatives of the Customer Service Academy have been implemented, the increase in training revenue originally anticipated has not materialized.

Gross	(\$606,800)
GF/GP	\$0

2. 1% Revenue Adjustment

The budget reflects adjustments in the 1% funding sources to better reflect the actual funding anticipated. Improved functionality of MAIN assists the Department in identifying the appropriate 1% funding sources. These adjustments, however, have no impact on Gross or GF/GP appropriations.

Gross	\$0
GF/GP	\$0

SUPPLEMENTAL APPROPRIATIONS: FY 1997-98

1. HRMN System

A FY 1997-98 supplemental appropriation includes \$6.2 million (GF/GP) to provide funding for implementation costs of the new Human Resource Management Network (HRMN).

Gross	\$6,200,000
GF/GP	\$6,200,000

2. Technology Enhancements

A FY 1997-98 supplemental appropriation of \$250,000 (GF/GP) for one-time computer hardware and software technology enhancements is provided. This funding was originally included in the FY 1998-99 budget.

Gross	\$250,000
GF/GP	\$250,000

3. Retirement Savings

Retirement savings are realized from changing the actuarial funding methods and assumptions of the State Employees' Retirement System. These savings are reflected in a negative supplemental appropriation for FY 1997-98.

Gross	(\$781,600)
GF/GP	(\$375,300)